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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/816,023	03/23/2001	Joseph G. Englert	539P	8510

7590 09/26/2006  
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P.O. Box 1026  
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EXAMINER

ALPERT, JAMES M

ART UNIT	PAPER NUMBER
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3693

DATE MAILED: 09/26/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>		<b>Applicant(s)</b>	
	09/816,023		ENGLERT, JOSEPH G.	
	<b>Examiner</b>		<b>Art Unit</b>	
	James Alpert		3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 23 June 2006.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-10 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-10 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 06/19/2006 has been entered.

### ***Status of Claims***

Claims 2-10 are original. Claim 1 is currently amended. Claims 1-10 are therefore currently pending.

### ***Response to Arguments***

Applicant's arguments filed 06/19/2006 have been fully considered, and are persuasive in part. The examiner maintains that the intent of the inventor and written overviews of the invention are immaterial factors as to rejections made as to what is actually claimed. Keeping this fact in mind, the Examiner concludes that Walker, U.S. Patent Application Publication #20020095355 teaches those sections of Applicant's claims that are described in the final Office Action, mailed 02/13/2006. However, Applicant's arguments as they relate to the Francis reference, U.S. Patent 6772131, are persuasive, as are Applicant's arguments related to that part of Claim 1 describing "cost ratio". Therefore, the rejections under 35 U.S.C. 103(a) are hereby withdrawn. However, upon further

consideration, new grounds of rejection are made, as detailed below, and Applicant's request for allowance is respectfully declined.

***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-8 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Specifically, and with regard to Claim 1, the following phrases of the claim are ambiguous and subject to multiple interpretations, rendering the claim indefinite:

1. Claim 1(c3), reciting selecting an "appropriate" financing tool. "Appropriate" is an ambiguous term, and indefinite, and what is "appropriate" can vary from artisan to artisan.
2. Claim 1(c5), reciting evaluating the cost ratio and if "reasonable", preparing a term sheet. "Reasonable" is an ambiguous term, and indefinite, and what is reasonable can vary from artisan to artisan.
3. Claim 4, reciting that if the total cost ratio "seems unacceptable", reiterating (c1) – (c5). This phrase is ambiguous, indefinite, and can vary from artisan to artisan.

Claims 1-8 are also rejected under 35 U.S.C 112 based on a conditional statements appearing in Claims 1(c5), 2, and 4. These claims contain "if" clauses, which specify an action to be taken should some condition be met. However, the claims are silent as to what should occur should there be a failure in the conditional statement. Thus the claims, and those dependent thereon, are unclear and ambiguous. Appropriate correction is required.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-10 are rejected under § 101 as being directed to non-statutory subject matter. The Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility (hereinafter, "The Guidelines"), as found in PDF format on the USPTO website, detail the requirements for an application to be statutory under §101. The Guidelines state:

"Federal courts have held that 35 U.S.C. §101 does have certain limits. First, the phrase "anything under the sun that is made by man" is limited by the text of 35 U.S.C. §101, meaning that one may only patent something that is a machine, manufacture, composition of matter or a process. See, e.g., In re Alappat, 33 F.3d at 1542, 31 USPQ2d at 1556; In re Warmerdam, 33 F.3d 1354, 1358, 31 USPQ2d 1754, 1757 (Fed. Cir. 1994)...

The subject matter courts have found to be outside of, or exceptions to, the four statutory categories of invention is limited to abstract ideas, laws of nature and natural phenomena. While this is easily stated, determining whether an applicant is seeking to patent an abstract idea, a law of nature or a natural phenomenon has proven to be challenging. These three exclusions recognize that subject matter that is not a practical application or use of an idea, a law of nature or a natural phenomenon is not patentable...

In many instances it is clear within which of the enumerated categories a claimed invention falls. Even if the characterization of the claimed invention is not clear, this is usually not an issue that will preclude making an accurate and correct assessment with respect to the section 101 analysis. The scope of 35 U.S.C. §101 is the same regardless of the form or category of invention in which a particular claim is drafted. AT&T, 172 F.3d at 1357, 50 USPQ2d at 1451 . See also State Street, 149 F.3d at 1375, 47 USPQ2d at 1602 wherein the Federal Circuit explained:

The question of whether a claim encompasses statutory subject matter should not focus on which of the four categories of subject matter a claim is directed to -- process, machine, manufacture, or composition of matter -- [provided the subject matter falls into at least one category of statutory subject matter] but rather on the essential characteristics of the subject matter, in particular, its practical utility...

While abstract ideas, natural phenomena, and laws of nature are not eligible for patenting, methods and products employing abstract ideas, natural phenomena, and laws of nature to perform a real-world function may well be. In evaluating whether a claim meets the requirements of section 101, the claim must be considered as a whole to determine whether it is for a particular application of an abstract idea...

The Guidelines go on into a detailed discussion of how to determine whether a real-world function of an abstract idea is being utilized. The discussion focuses primarily on whether an invention is "useful, concrete, and tangible". The examiner will return to this issue shortly. The Guidelines go on to detail that even where there is an application of an abstract idea, the Office must ensure that patent protection is not granted to a formula in the abstract. The Guidelines state:

Even when a claim applies a mathematical formula, for example, as part of a seemingly patentable process, the examiner must ensure that it does not in reality "seek[] patent protection for that formula in the abstract." Diehr, 450 U.S. at 191, 209 USPQ at 10. "Phenomena of nature, though just discovered, mental processes, abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work." Benson, 409 U.S. at 67, 175 USPQ at 675. One may not patent a process that comprises every "substantial practical application" of an abstract idea, because such a patent "in practical effect would be a patent on the [abstract idea] itself." Benson, 409 U.S. at 71-72, 175 USPQ at 676; cf. Diehr, 450 U.S. at 187, 209 USPQ at 8 (stressing that the patent applicants in that case did "not seek to pre-empt the use of [an] equation," but instead sought only to "foreclose from others the use of that equation in conjunction with all of the other steps in their claimed process"). "To hold otherwise would allow a competent draftsman to evade the recognized limitations on the type of subject matter eligible for patent protection." Diehr, 450 U.S. at 192, 209 USPQ at 10. Thus, a claim that recites a computer that solely calculates a mathematical formula (see Benson) or a computer disk that solely stores a mathematical formula is not directed to the type of subject matter eligible for patent protection. If an examiner determines that the claimed invention preempts a §101 judicial exception, the examiner must identify the abstraction, law of nature, or natural phenomenon and explain why the claim covers every substantial practical application thereof.

In light of the detailed discussion above, and after reviewing a totality of the evidence, the Examiner has concluded that a prima facie case can be made

that Applicant's invention amounts to a mere abstract idea, for which patent protection is not available. In reaching this determination, the Examiner finds that the Application would not produce a "useful, concrete, and tangible" result. However, even if this were not the case, "every practical effect of the Application would be a patent on the abstract idea itself," still rendering the claims unpatentable.

### **I. USEFUL, CONCRETE, AND TANGIBLE.**

As mentioned above, when methods and products employing abstract ideas, perform a real-world function, patent protection is available. To perform a real-world function, the invention must possess a "useful, concrete, and tangible" result. State Street Bank & Trust Co. v. Signature Financial Group Inc, 149 F. 3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998). In a first analysis, the Examiner observes that an asserted utility is demonstrated by Applicant in the Summary of the Invention at (page 8, line 4 – page 9, line 11), so that aspect of the test is met. The examiner finds, however, that the application fails to produce a "concrete" result.

#### **A. Concrete**

Usually, this question arises when a result cannot be assured. In other words, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. In re Swartz, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result produced by the claimed invention is "irreproducible" claim should be rejected

under section 101). The opposite of “concrete” is unrepeatable or unpredictable. See The Guidelines at p. 22.

Applicant’s representative has admitted (in the interview conducted on June 13, 2006) that the process as claimed is essentially the filling out of paper forms (although the Application itself provides at page 4, lines 9-16 that the forms may be computer implemented). Thus, it is in no way assured that a user will ever in fact complete the necessary steps to reap the benefits of the information contained on the forms comprising the invention. It could be that on some occasion a user only fills out a few of the worksheets before deciding not to proceed in a transaction, or it could be that sometimes a user proceed to the final worksheets and a finance proposal. Thus, the invention is unrepeatable in that the same steps may not even occur in each instantiation of the method.

Further, it is clear that the method does not substantially produce the same result receptively. In some circumstances, particular tools are implemented to determine costs, while in other circumstances, a different set of tools is used. Different tools will produce different results. Further, in some circumstances, a finance proposal is generated, while in some circumstances, a finance proposal is not generated. Thus, there is no concrete set of steps to the method which produce a repeatable result: the claim is non-statutory.

## **B. Tangible**

The Guidelines, at page 4, state, in reference to the requirement that an invention “produce useful, concrete, and tangible results”:



The purpose of this requirement is to limit patent protection to inventions that possess a certain level of "real world" value, as opposed to subject matter that represents nothing more than an idea or concept, or is simply a starting point for future investigation or research (Brenner v. Manson, 383 U.S. 519, 528-36, 148 USPQ 689, 693-96 (1966)); In re Fisher, 421 F.3d 1365, 76 USPQ2d 1225 (Fed. Cir. 2005); In re Ziegler, 992 F.2d 1197, 1200-03, 26 USPQ2d 1600, 1603-06 (Fed. Cir. 1993)).

Applicant has not set forth a "real world" result to invention as presently claimed. Specifically, the final steps in Applicant's method Claim 1 is simply calculating cost ratios, depositing them to either paper or software forms, and possibly presenting a finance proposal. These events do not rise to the level of a "real world" result: no transactions are consummated, nor funds transferred, nor are any contracts ratified. The end result is simply a piece of paper with several numbers written on it. Because there is no "real world" result, the invention is not tangible. The Guidelines continue:

...the tangible requirement does require that the claim must recite more than a §101 judicial exception, in that the process claim must set forth a practical application ... to produce a real-world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (underlining added by Examiner for emphasis)

## II. ABSTRACT IDEA ITSELF

Even if Applicant disagrees with the analysis above, the Examiner also finds that the invention as a whole is directed to a mathematical formula in the abstract. Applicant has made it clear that the novel feature disclosed in the application is the "total cost ratio". As stated by Applicant in the remarks submitted on 06/19/2006,

"... the steps of claim 1 which culminate in the calculation of a total cost ratio are important and unique. The cost ratio as it is defined in the specification and claims is a unique tool for evaluating an export financing transaction and whether to go forward. The cost ratio reflects important factors including risk associated with the particular export financing transaction."

This concept is emphasized throughout the specification, and is summarily described in Applicant's specification at page 3, lines 13-32:

An important aspect of the system is that costs of financing are analyzed as either structural or transaction costs, and are computed as a percentage of the transaction invoice amount, i.e. as a percentage of transaction amount. This total cost ratio is an important factor in evaluating the transaction, both for the customer/exporter and for the lending officer, creating an export management mechanism for analyzing and/or revising the transaction if the total cost ratio reveals distortion as compared to average costs for export transactions. It is also an important tool for monitoring and controlling actual costs.

While Applicant may contend that this value is but one step in a business application, the claims describe fundamentally the recording of a mathematical formula, namely total structural and transaction costs divided by transaction value. Applicant does not seek to use the cost ratio as part of a further calculation, or in a setting wherein a decision is made based on a particular value being achieved. Rather, applicant simply intends on calculating the ratio, and recording it on paper or some other medium. This is what the cases cited above seek to avoid: a simple mathematical formula recorded on a computer memory.

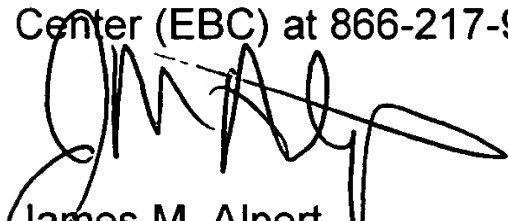
In summary, Applicant's claims are directed to non-statutory subject matter in that there is no useful, concrete, and tangible result, and further, that the claims are directed to the recording of a purely mathematical formula.

### ***Conclusion***

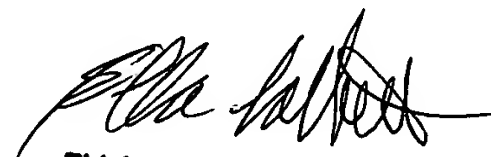
**THIS ACTION IS NON-FINAL.** Any inquiry concerning this communication or earlier communications from the examiner should be directed to James Alpert whose telephone number is (571) 272-6738. The examiner can normally be reached

on M-F 9:30-6:00. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammel, can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197.



James M. Alpert  
September 11, 2006



ELLA COLBERT  
PRIMARY EXAMINER